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Senate

The Senate met at 2 p.m. and was called to order by the Honorable JIM WEBB, a Senator from the Commonwealth of Virginia.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal God, as we begin another workweek, humble us under Your mighty hand, that in due time You may exalt us.

As our lawmakers grapple with today's challenges, give them the humility to cast their cares on You, for You possess great love for them. Remind them that You sustain the universe by Your providential power and that nothing is too difficult for You to accomplish. Let not their hearts be troubled by overwhelming obstacles, but may they run with patience the race that is set before them. Inspire their thinking, strengthen their resolve, and give them success in their efforts.

We pray in the Name of Him who is the author and finisher of our faith. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JIM WEBB led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 10, 2008.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable JIM WEBB, a Senator from the Commonwealth of Virginia, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. WEBB thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, following my remarks and those of the Republican leader, the Senate will be in a period of morning business until 3 p.m. Senators will be allowed to speak for up to 10 minutes each, with the time equally divided and controlled between the two leaders or their designees. Following morning business, the Senate will proceed to consideration of the concurrent resolution on the budget. There will be no rollcall votes today.

MEASURE PLACED ON THE CALENDAR—S. 2734

Mr. REID. Mr. President, S. 2734 is at the desk and due for its second reading.

The ACTING PRESIDENT pro tempore. The clerk will read the bill by title for the second time.

The assistant legislative clerk read as follows:

A bill (S. 2734) to aid families and neighborhoods facing home foreclosure and address the subprime mortgage crisis.

Mr. REID. I object to any further proceedings with respect to this bill at this time.

The ACTING PRESIDENT pro tempore. Objection is heard.

The bill will be placed on the calendar.

BUDGET DEBATE

Mr. REID. Mr. President, in an hour we are starting the budget. Under the law that governs what we do, there is 50 hours of debate on this matter. It is one of the few items in the Senate that has a time certain. The good news is that we have Senators CONRAD and GREGG who will be managing this. They are two experts on money within this body. They work extremely well together. They disagree on a number of issues in the budget, but they approach it in a gentlemanly fashion. They are, in my estimation, two of the finest Senators this body has ever had. As far as matters relating to money, they are, in my years of service here in the Senate, really outstanding. They are friends. They are adversaries. They do it in a way that should make the Senate and the country proud. That is the good news.

The bad news is that other than the time limit on this budget, there are a lot of changes we talk about needing to make, and we have for years, but we haven't made them, which means we come to a point where we have what is called the vote-athon, which means Senators have an unlimited number of opportunities to offer amendments. Until the Chair rules that it is a dilatory tactic, that can go on for a long period of time.

I have explained to the Republican leader—we talked at some length on one occasion on the telephone—that we are going to finish this bill this week. The question is, we would like to do it on Thursday. It is my understanding that all the Presidentials will be here on Thursday. They will be here on Friday if we don't finish this bill on Thursday. They will be here on Saturday if we don't finish the bill on Friday. I hope we can work toward finishing this bill sometime Thursday. It

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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is my recollection that we did it last year on Thursday. That is what we are facing. As a result, we will work to see if we can have a process that is fair and gives people the opportunity to offer the amendments they believe are important.

There are a number of issues we know. I think Senators GREGG and CONRAD will agree there are probably four main issues that are going to be extremely controversial in the budget this year. We will work toward having a time that we can complete that.

This week marks the 75th anniversary of President Franklin Roosevelt's first fireside chat. In his first fireside chat on March 12, 1933, President Roosevelt reassured the American people that despite the fear and uncertainty of a banking crisis and a deeply troubled economy, working people—or, in his words, “average citizens”—would be just fine.

He said:

You . . . must have faith; you must not be stampeded by rumors or guesses.

Let us unite in banishing fear. We have provided the machinery to restore our financial system, and it is up to you to support and make it work. It is your problem, my friends, your problem no less than mine. Together we cannot fail.

President Roosevelt was right. With President Roosevelt's leadership and the grit and determination of the American people, our country not only survived the Great Depression but embraced a new era of prosperity. That success was due in no small part to President Roosevelt's understanding that working Americans built our country and working Americans were critical to our continued prosperity.

Seven years ago, President George Bush inherited a budget surplus for the year of more than \$200 billion, the result of a responsible Clinton administration economic policy. These surpluses were projected to continue for the foreseeable future.

Now 7 years into the Bush administration, we find that tax breaks for big business and the superwealthy have combined with \$12 billion per month war in Iraq and cuts to investments in our workforce and infrastructure to create a budget deficit of more than \$400 billion and a national debt that has grown by \$3 trillion. The result: an economy that is failing millions of American families.

President Bush said last week that he doesn't believe America is headed toward a recession. You have to hunt hard to find an economist who would agree with him. The question is no longer are we headed for a recession but how long and how deep it will be.

For the second month in a row, the American economy lost jobs—22,000 in January, 63,000 in February. Who bore the worst of this job loss? People who work in the manufacturing industry, people who work in construction, people who build homes. It is not manufacturing that lost jobs; it is not construction that lost jobs; it is the people who

work in those industries that cause those industries to be deemed as losing jobs.

In 7 years of Bush economics, oil is up to an alltime high. Today, the last I looked, it was over \$107 a barrel. Gas prices are double what they were when the President took office, and they are climbing. The average gallon of gasoline in America now is about \$3.20 a gallon. The highest gasoline is in San Francisco; the lowest is in Casper, WY. The cost of college is up by some 60 percent since President Bush took office. Health care costs are up 80 percent since President Bush took office. Has anything gone down? Yes. Annual household income is down by \$1,000.

Who has prospered from 7 years of Bush economics? At parties and private meetings, President Bush's CEO friends and oil buddies must be telling him the economy is doing great, because they are doing really well. Exxon, for example, made the highest net profit of any company in the history of the country. It is no wonder the President doesn't see a recession coming, because the people he deals with are doing just fine. Look at the enormous compensation packages earned by CEOs of companies that have been failures: Contrywide, Citigroup, Merrill Lynch. These compensation packages were in the hundreds of millions of dollars for companies that were failing, even as their industry has spiraled downward and the consumers they serve have suffered. The middle class has not done so well. They have been forgotten. They have been left behind.

After 7 years of fiscal irresponsibility, consider what President Bush wants to do next. His budget calls for spending \$51 billion to hand out more tax breaks for Americans with incomes of greater than \$1 million. That works out that each of these millionaires will get \$125,000—all to a fortunate few who need help the least. With such generosity for those doing the best, one would think the President would take care of those struggling the most. But that is not the case.

On the housing crisis, for example, the proposal we have put forward calls for five simple things. Transparency—if you are going to buy a home, have it so that people understand the terms of the deal. It is very simple. JACK REED pushed that. CDBG money to go to local governments to buy foreclosed properties. Local governments are crying for these moneys. Revenue bonds would allow the law to be changed. Instead of revenue bonds to buy new homes, you could buy foreclosed or used homes. And then the loss carryforward that is so important for the homebuilding industry—the money you have made in the past could be offset with the money that has been lost in recent years. Finally, the bankruptcy provision—we have talked a lot about it here—to allow people to have the bankruptcy court take a look at their loans and see if they can readjust the loans.

The President pays for his tax giveaways to the wealthy in part by proposing deep cuts to Medicare and Medicaid—that is a fact—while underfunding everything from terrorism prevention to veterans education. That is not just irresponsible fiscal policy. Many believe, as I met with a group of religious leaders last week, that it is immoral fiscal policy.

This week, we are proposing a budget that abandons Bush economics, lowers taxes for the middle class, creates new jobs, and turns our struggling economy around. This requires both immediate help and long-term solutions. In short, our budget calls for further steps to stimulate growth and address the housing crisis. It sets aside \$35 billion for measures such as extending unemployment insurance, providing home heating and nutrition assistance, and rebuilding our crumbling roads and bridges. Everyone should know that for every billion dollars we spend in developing roads, bridges, dams, highways, water systems, sewer systems, we create 47,500 high-paying jobs. We help families avoid losing their homes in our budget to foreclosure, a measure that has been blocked by Republican filibuster.

For the long-term, our budget calls for meaningful investments in energy, education, and infrastructure. These investments will create jobs, provide Americans with new tools to succeed, increase productivity, improve our environment, and help ensure a strong and growing economy. These are not just wishes or dreams. We were able to accomplish that. The last years of the Clinton administration, we were spending less money than we were taking in. We were actually paying down the debt.

The budget we are working on this week also rejects the Bush administration's deep cuts in Medicare and Medicaid and will expand health care coverage for children. It would make America safer by embracing our troops and veterans and rejecting the administration's plan to underfund antiterrorism and anticrime initiatives.

In stark contrast to the President's continued fiscal irresponsibility, our budget would restore fiscal discipline. It would maintain strong pay-as-you-go rules, which were in effect in the Clinton years, which really worked. The budget would be fully balanced in 3 years.

Our bipartisan budget sets a path toward a stronger economic future. We can make it even stronger by passing an amendment that will be offered by the distinguished chairman of the Finance Committee, Senator BAUCUS of Montana. Several colleagues will join in that. The Baucus amendment would use projected surpluses to cut taxes on the middle class—extending marriage penalty relief, the child tax credit, and the 10-percent tax bracket. The amendment also reforms the estate tax to protect small businesses and family farms and includes other tax cuts as well.

Democrats believe in cutting taxes—not for chief executive officers of these big companies, not for oil men, but for middle-class families who need help the most.

Mr. President, I have already talked about the two men who are going to manage this bill: Chairman CONRAD and ranking member JUDD GREGG. They really do good work. Now it is up to the full Senate to follow Senator CONRAD's lead, and that of Senator JUDD GREGG, to move forward and get a budget that can be the blueprint for what we do the rest of this Congress.

I look forward to an open, productive budget debate this week. I hope that with the kind of steely resolve President Roosevelt showed, we can put the failed Bush economic policies behind us and pass a fair, responsible budget that makes America stronger, safer, and more prosperous.

PEACE CORPS

Mr. REID. Mr. President, I had the good fortune to meet earlier today with the head of the Peace Corps. His name is Ron Tschetter—a wonderful man who was approved overwhelmingly not that long ago by the full Senate.

The Peace Corps is one of the programs that is so good for this country and the world. We have a little over 8,000 Peace Corps volunteers. We should have twice as many. The President said a couple years ago he was going to double the Peace Corps from 7,000 to 14,000. That has not happened. He has increased it by a few hundred, and that is very, very important. From Nevada, we have 22 Peace Corps volunteers out of the 8,000. They are from all over the world.

As I have had the good fortune of being able to travel as a representative of our country around the world over the last several decades, every place I go, I visit with Peace Corps volunteers because there is no group of individuals that does more for our country in setting good, high-quality standards than the Peace Corps volunteers. They do great work, and I am very proud of them.

These Peace Corps volunteers, when they are interviewed, are not Democrats or Republicans, they are Americans, and they do great public service. They are true public servants, and I am very proud of the work they have done and will continue to do throughout the world on behalf of America.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

BUDGET WEEK

Mr. MCCONNELL. Mr. President, last week our friends on the other side pulled back the curtain on their budget

proposal, and taxpayers all across America groaned. It really was not very pretty. The Democrats propose to increase discretionary spending above the \$1 trillion mark for the first time ever. To pay for it, they want to increase taxes by a lot—the largest tax hike in history.

The timing, of course, could not be worse. At a time when Americans are seeing record gas prices, falling home values, and higher health care and tuition costs, the other side sees higher taxes and more spending. Rather than offer a plan to address the concerns of the day, they offer a plan to make those costs harder to meet inside the limits of a family budget. At a time of heightened economic worry, our friends' plan for America is for families to keep less of their money and they insist that Government spend more.

The effect of all this on U.S. families would be crushing. Under the Democratic budget, the average American family would see their annual tax bill go up by \$2,300 a year. Nearly 20 million seniors would see their taxes go up by more than \$2,000 a year. And 8 million low-income workers would be added to the tax roles.

At a time of increased economic concern, Democrats want the average American family to have \$2,300 less for the family budget under their plan. That is enough money to pay for an entire year's worth of gas for two cars. It is about what the average American family with two kids spends on health care in 9 months. It is also enough to buy 8 months' worth of groceries.

The average American family would suffer a lot under this plan. Consider a family in Kentucky that is just starting to think about college for a new baby. If that family took the \$2,300 Democrats are asking for in new taxes and invested it each year in a tax-free college savings account, they would have nearly \$75,000 for college by the time that child was ready to attend school.

This budget is not the answer Americans have been looking for. It is a cliché. When faced with a challenge, Democrats always answer with a simple three-word response: tax and spend. And this year is certainly no different.

American families and their children are the ones who will lose out under this tax-and-spend plan. Democrats promise to pay for everything but make families pay instead. They promised middle-class tax relief last year but did nothing to enact it. They promise to reduce the debt but increase it instead. And they promise to address long-term entitlement spending but only make the problem worse with higher taxes and more spending.

Over the last 25 years, Republican economic policies have lifted tens of millions of working families into the middle class. We did it through lower taxes, controlled spending, and keeping our defenses strong. Democrats know these policies worked. That is why, as we began this Congress, many Demo-

crats assured voters they would not raise taxes on working-class and middle-class voters. Well, this budget certainly fell short of that mark.

The proposed tax hike the Democrats sent down last week is four times bigger than the one in 1993 that even President Clinton said was too big for Americans and, ultimately, even for him. How can Democrats think the American people will accept this one? Do they think Americans want to see the gains of the last 6 years washed away by a budget that reinstates every tax we have lowered or repealed over that period?

Budget week is always a clarifying time of year on Capitol Hill. What the other side's budget makes clear once again is that our friends on the other side are more concerned about growing the size and scope of Washington spending, while we want to grow the family's budget. At a time of great economic uncertainty, Americans expect more from Government than a \$1.2 trillion tax hike and billions of dollars in new spending.

This budget spends more than \$775 billion from the Social Security surplus. It increases gross debt by more than \$2 trillion. It increases the deficit by almost \$400 billion. And it completely ignores the question of where we are going to get the money to pay for \$66 trillion in promised entitlements—this despite the fact that the Democratic chairman of the Budget Committee has explicitly said we need to reform entitlement programs.

Republicans made a pledge last year to fight tax increases and to rein in spending. We stuck by that pledge last year. In these difficult economic times, we will certainly stick by it this year. With this budget, Democrats want to spend more from Washington and raise your taxes to pay for it. I, for one, will vote to allow families to keep more of what they earn so they can decide how to spend it.

HONORING OUR ARMED FORCES

CORPORAL GARY BRENT COLEMAN

Mr. MCCONNELL. Mr. President, I rise today to honor the life of a soldier who gave his life in defense of his country. CPL Gary Brent Coleman of Pikeville, KY, perished on November 21, 2003, in Balad, Iraq, when his vehicle overturned mid-chase during combat operations. He was 24 years old.

The memorial service for Corporal Coleman was so large it filled the auditorium of his alma mater, Pikeville High School. Brent, as he was known, had been a local hero for his prowess on the football field. He became an even greater hero by stepping forward in a time of war.

Friends, family members and fellow soldiers spoke, one after another, on the effect Brent had had in their lives. When it was over, Brent's father, Gary Keene Coleman, said, "I was . . . proud that Brent had made that type of an impact on so many people. But I would rather for him to be here."